



Senate

General Assembly

File No. 436

February Session, 2016

Substitute Senate Bill No. 306

Senate, April 4, 2016

The Committee on Commerce reported through SEN. HARTLEY, J. of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE OFFICE OF THE PERMIT OMBUDSMAN
AND ASSISTANCE FOR BIOSCIENCE COMPANIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 32-726 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2016*):

4 (b) (1) The commissioner shall establish an office of the permit
5 ombudsman for the purpose of expediting review of permit
6 applications for projects that would (A) create at least one hundred
7 jobs, (B) create fifty jobs, if such project is to be located in an enterprise
8 zone designated pursuant to section 32-70, (C) be located in a
9 brownfield, as defined in section 32-760, (D) be compatible with the
10 state's responsible growth initiatives, (E) be considered transit-oriented
11 development, as defined in section 13b-79kk, (F) develop green
12 technology business, (G) develop bioscience business, or [(G)] (H) meet
13 the criteria set forth in subdivision (2) of this subsection. Projects
14 ineligible for review under this section are projects for which the
15 primary purpose is to (i) effect the final disposal of solid waste,

16 biomedical waste or hazardous waste in this state, (ii) produce
 17 electrical power, unless the production of electricity is incidental and
 18 not the primary function of the project, (iii) extract natural resources,
 19 (iv) produce oil, or (v) construct, maintain or operate an oil, petroleum,
 20 natural gas or sewage pipeline. For purposes of this section,
 21 "responsible growth initiatives" includes the principles of smart
 22 growth, as defined in section 1 of public act 09-230, and "green
 23 technology business" means an eligible business with not less than
 24 twenty-five per cent of its employment positions being positions in
 25 which green technology is employed or developed and may include
 26 the occupation codes identified as green jobs by the Department of
 27 Economic and Community Development and the Labor Department
 28 for such purposes. The permit ombudsman shall also assist and
 29 provide guidance to bioscience businesses seeking to expedite the
 30 review and approval of permits under title 8.

31 (2) Notwithstanding the provisions of subdivision (1) of this
 32 subsection, the commissioner may, upon consideration of the
 33 economic impact factors of the project that include, but are not limited
 34 to: (A) The proposed wage and skill levels relative to those existing in
 35 the area in which the project may be located, (B) the project's potential
 36 to diversify and strengthen the state and local economy, (C) the
 37 amount of capital investment, and (D) in the judgment of the
 38 commissioner, after consultation with the Departments of Energy and
 39 Environmental Protection, Transportation and Public Health that there
 40 is consistency with the strategic economic development priorities of
 41 the state and the municipality, deem projects eligible for expedited
 42 permitting pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	32-726(b)

CE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Department of Economic & Community Development	GF - Potential Cost	54,560	72,786
State Comptroller - Fringe Benefits ¹	GF - Potential Cost	21,804	29,071

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a potential cost to the Department of Economic and Community Development (DECD) by requiring the Office of the Permit Ombudsman under DECD to provide guidance on municipal permits for bioscience businesses. DECD may require one full time staff at an annualized cost of \$101,857 (\$72,786 salary plus \$29,071 fringe benefits) with expertise in municipal permitting to coordinate these projects.

To the extent that DECD can coordinate with agents at the municipal level with expertise on municipal permitting, this may preclude the need for additional resources at DECD.

Under current law, DECD provides expedited review of projects with regard to state permits only.

The bill also expands eligibility to bioscience businesses for

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 39.94% of payroll in FY 17 and FY 18.

expedited review of state permits. As noted, DECD currently has expertise in state permits and can accommodate this expansion with no additional resources.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 306*****AN ACT CONCERNING THE OFFICE OF THE PERMIT OMBUDSMAN AND ASSISTANCE FOR BIOSCIENCE COMPANIES.*****SUMMARY:**

The bill makes projects to develop bioscience businesses eligible for assistance from the Department of Economic and Community Development's (DECD) Office of the Permit Ombudsman. By law, the office coordinates expedited permit reviews of eligible economic development projects (see BACKGROUND) with the transportation, public health, and energy and environmental protection departments.

The bill also requires the permit ombudsman to assist and provide guidance to bioscience businesses seeking to expedite the review and approval of certain municipal permits.

EFFECTIVE DATE: October 1, 2016

BACKGROUND***Project Eligibility Criteria for Expedited Permit Reviews***

By law, DECD's Permit Ombudsman Office provides for the expedited review of projects meeting one of two sets of economic development criteria. It must do so for projects:

1. creating at least 50 permanent, full-time equivalent non-construction jobs in any of the state's 17 enterprise zones or at least 100 such jobs elsewhere in Connecticut;
2. located in a brownfield;
3. compatible with the state's responsible growth initiatives;

4. considered transit-oriented development, or
5. developing green technology businesses.

The office also must review other types of projects the commissioner approves based on the following economic impact factors:

1. a project's proposed wage and skill levels compared to those in the surrounding area,
2. the extent to which the project will diversify and strengthen the local and state economy,
3. the project's total capital investment, and
4. the extent to which the project complements the municipality's and the state's strategic economic development priorities, as determined by the commissioner in consultation with the transportation, public health, and energy and environmental protection commissioners.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/17/2016)